

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6863

BILL NUMBER: SB 395

NOTE PREPARED: Feb 16, 2015

BILL AMENDED: Feb 12, 2015

SUBJECT: Historic Hotel Preservation and Maintenance Fund.

FIRST AUTHOR: Sen. Houchin

FIRST SPONSOR:

BILL STATUS: 2nd Reading - 1st House

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: (Amended) The bill provides that \$1 M is appropriated from the West Baden Springs Historic Hotel Preservation and Maintenance Fund (fund) in each state fiscal year beginning after June 30, 2015, and ending before July 1, 2020, for purposes of reimbursing claims made for expenditures to maintain a qualified historic hotel, the grounds surrounding the hotel, supporting buildings and structures related to the hotel, and other facilities used by the guests of the hotel. (Under current law, only the interest accruing to the fund is annually appropriated for those purposes.)

The bill specifies that for state fiscal years beginning after June 30, 2020, only the interest accruing to the fund is annually appropriated for those purposes. It provides that 19% of the riverboat wagering tax paid by the French Lick casino is distributed to the fund if the balance in the fund is not more than \$15 M (rather than not more than \$20 M under current law).

Effective Date: July 1, 2015.

Explanation of State Expenditures: (Revised) *Summary:* This bill could increase distributions from the West Baden Springs Historic Hotel Preservation and Maintenance Fund to the owner of West Baden Springs Hotel for a five year period. The increase in distributions is estimated to be about \$1 M annually beginning in FY 2016. The increase in distributions depends on the claims for qualified expenditures made by the owner of West Baden Springs Hotel.

Additional Information: Under current law, the fund receives 19% of the riverboat wagering tax paid by the French Lick Casino. If the balance in the fund exceeds \$20 M, this revenue must be distributed to the state General Fund. The current balance in the fund is \$20 M. The fund is administered by the Department of

Natural Resources (DNR). Current statute provides for the appropriation of interest in the fund to the DNR only to: (1) maintain parts of the West Baden Springs Hotel; and (2) maintain the grounds surrounding the West Baden Springs Hotel. The bill does not change the purposes of the distributions.

Explanation of State Revenues: (Revised) If the bill results in additional distributions out of the Historic Hotel Preservation and Maintenance Fund to the owner of West Baden Springs Hotel (as stated above), it would reduce the balance in the fund. The bill reduces the balance threshold required to trigger the state General Fund distributions from \$20 M to \$15 M, as a result, the state General Fund will continue to receive the 19% of the riverboat wagering tax paid by the French Lick Casino.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Department of Natural Resources.

Local Agencies Affected:

Information Sources:

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